



# H1 2013 Results

*29 August 2013*

  
**ZHAIKMUNAï**  

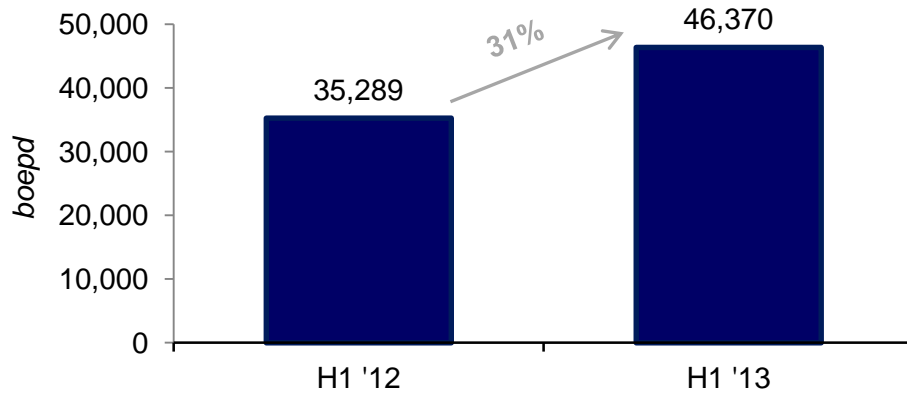

## H1 2013 results show Zhaikmunai's achievement of production goals

- 1 Substantial increase in production – 31% increase over H1 '12
- 2 Expansion of drilling program – 5 rigs in operations
- 3 Maintenance of superior margins – EBITDA margins above 60% despite fall in oil prices
- 4 Continued cash flow growth –\$167m in operating cash flows
- 5 Strong cash position – Increase in cash position of 72% to \$280m compared to H1 2012
- 6 Expansion of reserve base – preparation of 3D seismic acquisition for new fields

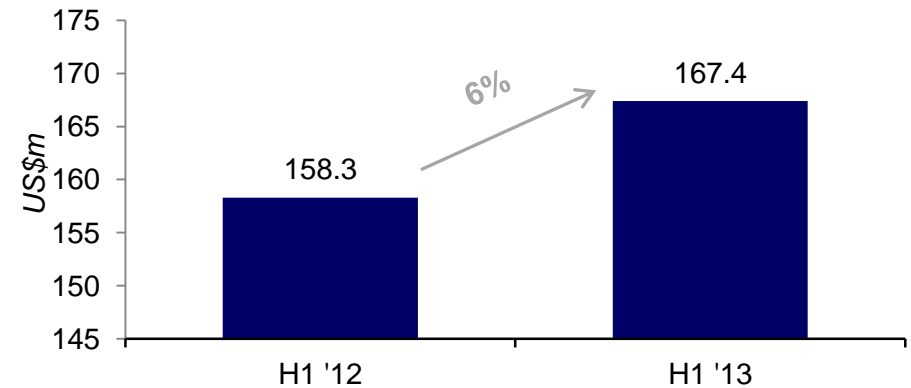
The company delivered stable production above 46,000 boepd for H1

# Progress – Snapshot

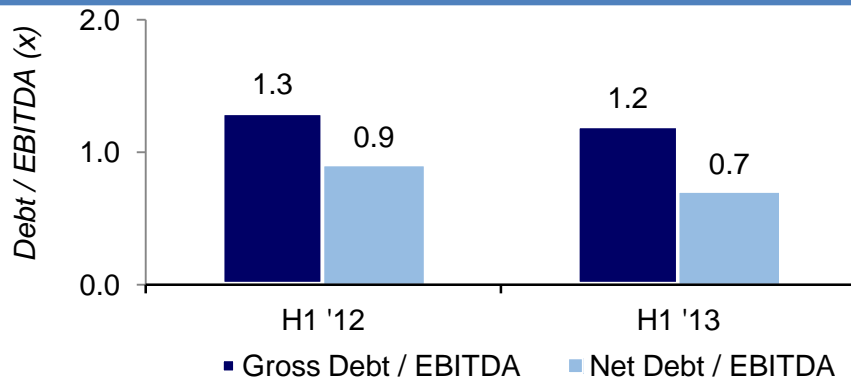
## Production: + 31%



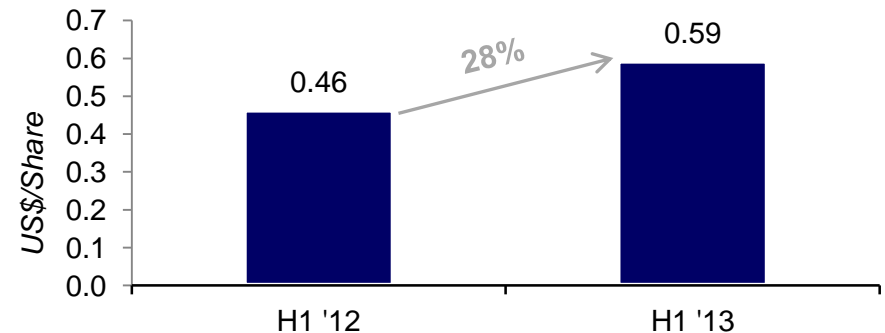
## Net Operating Cash flows<sup>(1)</sup>: + 6%



## Enhanced Credit Metrics: Net debt / EBITDA down to 0.7x



## Earnings per share: + 28%



Scale production & cash flow growth delivered enhancing capital structure and delivering shareholder value

(1) Calculated as Profit before income tax, and adjusted for D&A, accrual of share option expenses, finance costs, interest income, loss on disposal of PPE, reversal of tax provision, FX gain, changes in working capital, income tax paid and payments under ESOP



# H1 2013 Financial Results



# Financial Overview – H1 2013 vs. H1 2012

US\$m (unless otherwise stated)	H1 2013	H1 2012	Change (%)
<b>Revenue</b>	<b>442</b>	323	37%
Operating Profit	185	137	35%
<b>EBITDA<sup>(1)</sup></b>	<b>285</b>	213	34%
Net income	112	87	29%
Earnings per share (US\$) <sup>(2)</sup>	<b>0.59</b>	0.46	28%
Dividend per share (US\$)	<b>0.34<sup>(3)</sup></b>	-	n/a
Capital Expenditure <sup>(4)</sup>	<b>129</b>	124	4%
Net cash flows from operating activities	<b>167</b>	158	6%
Gross debt	<b>653</b>	450	45%
Cash & cash equivalents <sup>(5)</sup>	<b>280</b>	163	72%
Net debt	<b>373</b>	287	30%
<b>Net debt / EBITDA</b>	<b>0.7x</b>	0.9x	(19%)

**Substantial growth in profitability and cashflow combined with a capital structure that facilitates a balanced approach to investing in growth and shareholder return**

(1) Calculated as profit before tax + road maintenance expenses + finance costs + foreign exchange loss/(gain) + ESOP expense + depreciation – interest income + other expenses

(2) Based on and 187m GDRs in H1 2012, and 188m GDRs in H1 2013

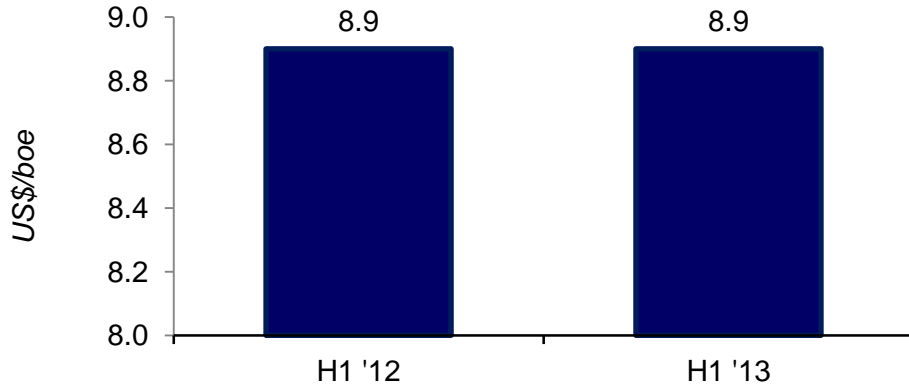
(3) Dividend approved on June 28, 2013 with a record date of July 19, 2013 and paid on July 26, 2013

(4) Cash capital expenditures, excluding VAT

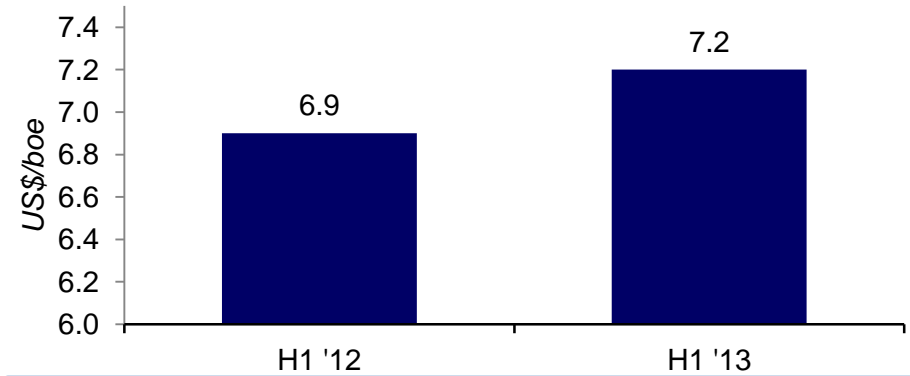
(5) Including restricted cash, short term deposits and non-current investments

# Key performance indicators

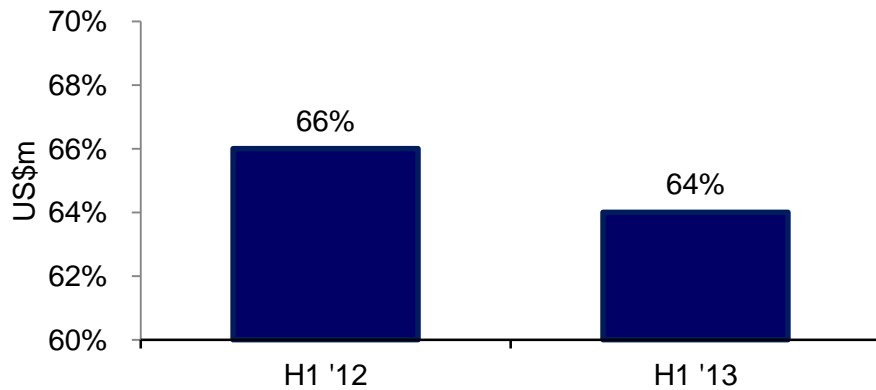
## Opex/boe<sup>(1)</sup>



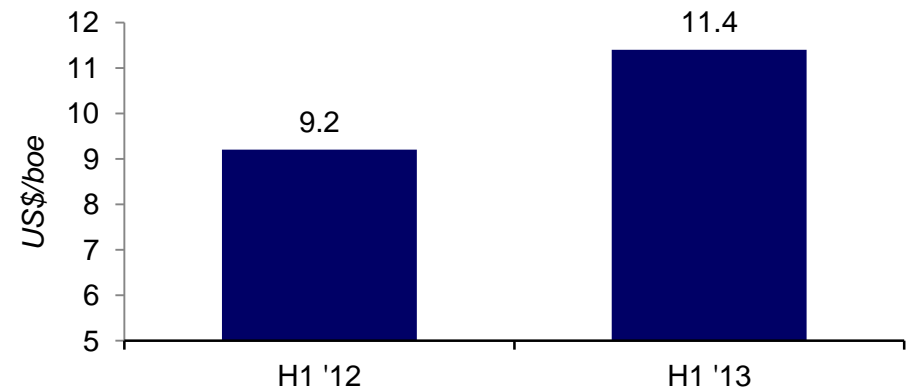
## Transport costs/boe



## EBITDA margin



## Tax/boe<sup>(2)</sup>



Operating metrics remain relatively stable in light of significant production increase and lower oil prices

(1) Opex excludes depreciation, ESOP expenses, transport expenses, road maintenance expenses and PSA expenses  
(2) Tax includes royalties, government share and income tax expenses

# Strong Balance Sheet and Enhanced Credit Metrics

## Highlights

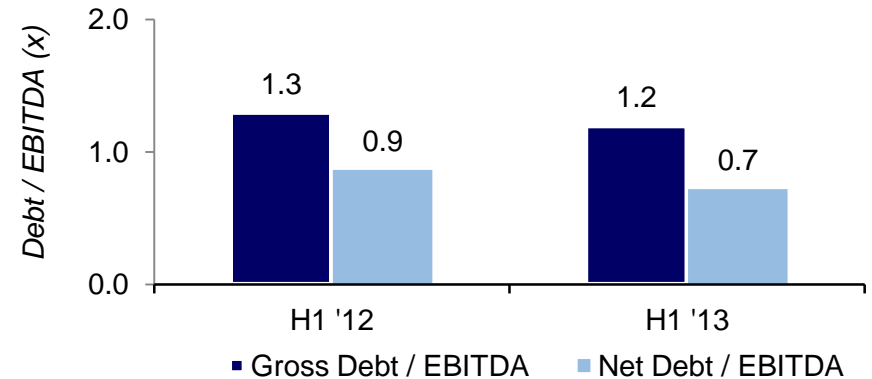
- Lowered Net Debt/EBITDA to 0.7x
- Stable EBITDA margins despite lower oil prices
- Increased cash position by 72% to \$280m vs. H1 2012

## Net Debt – US\$373m

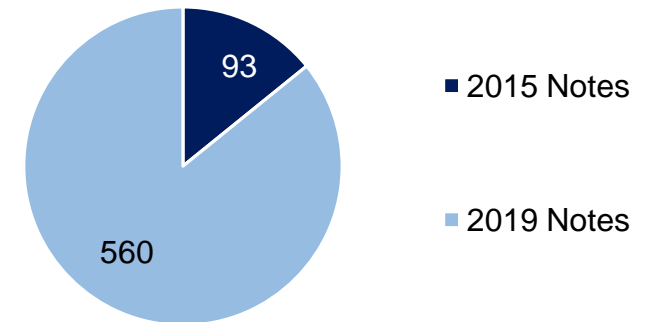
US\$m

<b>Total debt, including:</b>	<b>652.5</b>
2015 Notes	92.5
2019 Notes	560.0
<b>Cash &amp; cash equivalents<sup>(1)</sup></b>	<b>279.5</b>
<b>Net Debt</b>	<b>372.7</b>

## Credit Metrics – Net debt / EBITDA < 1.0 x



## Maturity Profile – 85% > 5 years



Robust capital structure ensures significant financial flexibility is retained

(1) Including restricted cash, short term deposits and non-current investments



## Supporting Materials





# Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	<b>June 30, 2013 (unaudited)</b>	December 31, 2012 (audited)
<b>ASSETS</b>		
Exploration and evaluation assets	15,835	-
Property, plant and equipment	1,271,520	1,222,665
Restricted cash	4,154	3,652
Non-current investments	5,000	-
Advances for non-current assets	10,871	25,278
<b>Non-current assets</b>	<b>1,307,380</b>	<b>1,251,595</b>
Inventories	19,884	24,964
Trade receivables	90,250	54,004
Prepayments and other current assets	22,842	24,369
Short-term investments	14,500	50,000
Cash and cash equivalents	255,882	197,730
<b>Current assets</b>	<b>403,358</b>	<b>351,067</b>
<b>TOTAL ASSETS</b>	<b>1,710,738</b>	<b>1,602,662</b>
<b>EQUITY AND LIABILITIES</b>		
Partnership capital	367,769	371,147
Additional paid-in capital	7,046	6,095
Retained earnings and translation reserve	366,381	317,862
<b>Partnership capital and reserves</b>	<b>741,196</b>	<b>695,104</b>
Long-term borrowings	618,520	615,742
Abandonment and site restoration liabilities	11,982	11,064
Due to Government of Kazakhstan	6,021	6,122
Employee share option plan	11,376	9,788
Deferred tax liabilities	145,233	148,932
<b>Non-current liabilities</b>	<b>793,132</b>	<b>791,648</b>
Current portion of long term borrowings	7,152	7,152
Trade payables	51,697	58,390
Advances received	23	60
Obligations under profit distribution	63,179	-
Income tax payable	20,107	11,762
Current portion of Due to Government	1,031	1,031
Other current liabilities	33,221	37,515
<b>Current liabilities</b>	<b>176,410</b>	<b>115,910</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,710,738</b>	<b>1,602,662</b>

Source: IFRS Financial Statements.

# Consolidated Statement of Comprehensive Income

<i>In thousands of US Dollars</i>	Six months ended June 30,	
	2013 (unaudited)	2012 (unaudited)
<b>Revenue</b>		
Revenue from export sales	<b>378,090</b>	272,972
Revenue from domestic sales	<b>64,409</b>	50,437
	<b>442,499</b>	323,409
Cost of sales	<b>(135,331)</b>	(94,976)
<b>Gross profit</b>	<b>307,168</b>	228,433
General and administrative expenses	<b>(27,962)</b>	(28,461)
Selling and transportation expenses	<b>(60,814)</b>	(44,636)
Finance costs	<b>(25,622)</b>	(18,980)
FX (loss) / gain, net	<b>(210)</b>	336
Interest income	<b>549</b>	169
Other expenses	<b>(10,646)</b>	(2,162)
Other income	<b>2,354</b>	2,324
<b>Profit before income tax</b>	<b>184,817</b>	137,023
Income tax expense	<b>(73,119)</b>	(50,374)
<b>Profit for the period</b>	<b>111,698</b>	86,649

Source: IFRS Financial Statements.

# Consolidated Statement of Cash Flows

<i>In thousands of US Dollars</i>	<b>Six month ended June 30,</b>	
	<b>2013</b>	2012
	<b>(unaudited)</b>	(unaudited)
<b>Cash flow from operating activities:</b>		
Profit before income tax	<b>184,817</b>	137,023
Adjustments for:		
Depreciation, depletion and amortization	<b>63,931</b>	46,210
Employee share option plan	<b>2,538</b>	24
Finance costs	<b>25,622</b>	18,980
Interest income	<b>(549)</b>	(169)
FX (gain)/loss	<b>(12)</b>	-
<b>Operating profit before working capital changes</b>	<b>276,347</b>	202,068
Changes in working capital	<b>(39,532)</b>	(35,368)
<b>Cash generated from operations</b>	<b>236,815</b>	166,700
Income tax paid	<b>(68,473)</b>	(5,782)
Payments under Employee Share Option Plan	<b>(950)</b>	(2,593)
<b>Net cash flow from operating</b>	<b>167,392</b>	158,325
<b>Cash flow from investing activities:</b>		
Interest received	<b>549</b>	169
Placement of bank deposits	<b>(19,500)</b>	-
Redemption of term bank deposits	<b>50,000</b>	-
Purchases of PP&E	<b>(111,338)</b>	(100,100)
<b>Net cash used in investing</b>	<b>(80,289)</b>	(99,931)
<b>Cash flow from financing activities:</b>		
Finance costs paid	<b>(26,022)</b>	(28,442)
Transfer to restricted cash	<b>(502)</b>	(340)
Repurchase of GDRs	<b>(3,858)</b>	-
Treasury shares sold	<b>1,431</b>	4,334
<b>Net cash provided by financing</b>	<b>(28,951)</b>	(24,448)
<b>Net increase in cash</b>	<b>58,152</b>	33,946
Cash, BOP	<b>197,730</b>	125,393
<b>Cash, EOP</b>	<b>255,882</b>	159,339

Source: IFRS Financial Statements.

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